

THE HON. RICHARD A. JONES

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

CANYON ESTATES CONDOMINIUM  
ASSOCIATION, a Washington non-profit  
corporation,

Plaintiff,

v.

ATAIN SPECIALTY INSURANCE  
COMPANY; INDIAN HARBOR  
INSURANCE COMPANY; WESTCHESTER  
SURPLUS LINES INSURANCE COMPANY;  
and GREAT LAKES INSURANCE, SE,

Defendants.

No. 2:18-cv-01761-RAJ

STIPULATION AND ORDER BARRING  
CLAIMS BY FARMERS AND NON-  
SETTLING THIRD-PARTY DEFENDANT  
INSURERS AGAINST DEFENDANT  
WESTCHESTER AND DISMISSING  
WESTCHESTER WITH PREJUDICE

**STIPULATION**

Defendant Westchester Surplus Lines Insurance Company (“Westchester”) has reached a settlement with Plaintiff Canyon Estates Condominium Association (“Canyon Estates”), which settlement concludes all claims and issues between Canyon Estates and Westchester raised in this lawsuit.

In a subsequently filed and related lawsuit styled *Canyon Estates Condominium Association v. Farmers Insurance Exchange, et al.*, King County Superior Court Cause No.

STIPULATION AND ORDER BARRING  
CLAIMS AND DISMISSING WESTCHESTER  
WITH PREJUDICE – 1  
(Cause No. 2:18-cv-01761-RAJ)  
MES1443.081/3441950x

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19-2-08923-7 KNT, Defendant Farmers Insurance Exchange filed a Third-Party Complaint against Westchester for contribution, thus making Westchester a Third-Party Defendant in the King County action.

In relation to its settlement with Canyon Estates, Westchester obtained in the King County action an Order Barring Claims by Farmers and Non-Settling Third-Party Defendant Insurers Against Westchester Surplus Lines Insurance Company. A true and correct copy of the Settlement Agreement and Mutual Release entered into by Westchester and Canyon Estates was attached as **Exhibit 1** to the Declaration of Noah Jaffe in support of an earlier claim-bar motion Westchester had filed in the instant federal court case, but later withdrew. *See* Dkt. Nos. 55, 56, 56-1, and 92. A true and correct copy of the King County Superior Court's claim-bar Order is attached hereto as **Exhibit A**.

The King County Superior Court's found that the settlement entered into by Westchester and Canyon Estates was reasonable, including but not limited to the settlement amount, and further held Canyon Estates "responsible" for "any shortfall between the amounts paid by Westchester and Westchester's overall contribution liability in excess of Westchester's \$1,990,000 settlement payment." **Exhibit A**. As such, the settlement is both reasonable and there are adequate protections in place for all the non-settling insurers.

Westchester had earlier filed a Motion for an Order Barring Claims by Non-Settling Insurers in the instant federal court action. *See* Dkt. No. 55. At the request of Farmers' counsel, Westchester later withdrew that motion while a similar motion was pending in the King County action. *See* Dkt. No. 92. Since that time, the King County Superior Court entered the claim-bar Order attached hereto as **Exhibit A**.

The parties now stipulate that an identical claim-bar Order should issue in the instant federal court case and that Westchester be dismissed from this case with prejudice and without costs to any party.

Below is a proposed form of Order.

DATED this 29<sup>th</sup> day of January, 2020.

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STIPULATION AND ORDER BARRING  
CLAIMS AND DISMISSING WESTCHESTER  
WITH PREJUDICE – 3  
(Cause No. 2:18-cv-01761-RAJ)  
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**ORDER**

This matter having come before the Court on the Stipulation of the parties, above, and the Court having considered the parties' Stipulation and **Exhibit A** attached thereto and also having considered Westchester's earlier Motion for an Order Barring Claims by Non-Settling Insurers in the instant federal court action (Dkt. No. 55) and evidence in support thereof (Dkt. Nos. 56 and 56-1), as well as the relevant pleadings and papers on file in this action,

IT IS HEREBY ORDERED as follows:

1. The settlement between Westchester and Canyon Estates is reasonable, including but not limited to the settlement amount;

2. In order to protect the interests and rights of the Non-Settling Insurers in this action<sup>1</sup> which have asserted a contribution claim against Westchester or which in the future may have asserted such a claim; the Court further orders as follows:

a. Subject to applicable Washington law, the non-settling insurers are entitled to seek an offset against Plaintiff up to the amount of the One Million Nine Hundred Ninety Thousand Dollars (\$1,990,000) settlement against any amounts one or more non-settling insurers may be deemed to owe to Plaintiff Canyon Estates Condominium Association in this action in any post-judgment hearing before the Court; and

b. Plaintiff Canyon Estates Condominium Association is responsible and shall bear the burden for any shortfall between the amounts paid by Westchester and Westchester's overall contribution liability in excess of Westchester's \$1,990,000 settlement payment.

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<sup>1</sup> Non-Settling Insurers means all insurers other than Westchester.



1           3.     The Court orders that any and all claims for contribution, allocation,  
2 subrogation, or equitable indemnity, as well as any other causes of action in connection with  
3 this litigation against Westchester are hereby barred.

4           DATED this 30th day of January, 2020.

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6 The Honorable Richard A. Jones  
7 United States District Judge  
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